

**DECISION**

**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

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**FILE:** B-215450**DATE:** December 27, 1984**MATTER OF:** William J. Toth - Reimbursement of  
Lodging Expenses**DIGEST:**

An employee transferred on a permanent change of station, claims entitlement to lodging and subsistence expense reimbursement while occupying temporary quarters at his new duty station, which were provided by a relative. The claim was administratively disallowed on the basis of insufficient information to establish the reasonableness of the claimed expenses. The claim is denied, but on other grounds. While reasonableness of expenses is always in issue, under Federal Travel Regulations, para. 2-5.4(b), proof that the expenses were incurred is also required. Where a receipt given by a commercial establishment for lodging establishes both payment and reasonableness, a statement from a relative regarding the value of similar lodging does not. Since reimbursement is based on the incurrence of expenses which an employee is required to pay, unless proof of payment is submitted, the issue of reasonableness will not be considered.

This decision is in response to a letter from Mr. William J. Toth, who is appealing our Claims Group Settlement Z-2850782, April 24, 1984. That settlement disallowed his subsistence expense claim for occupancy of temporary quarters owned by a relative, incident to his permanent change-of-station transfer in May - June 1982. We sustain that disallowance for the following reasons.

**FACTS**

Mr. William J. Toth, a Hearings and Appeals Analyst with the Social Security Administration, was stationed in Philadelphia, Pennsylvania. He was transferred from Philadelphia to Arlington, Virginia, and reported for duty

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at his new station on June 1, 1982. Among the various travel and relocation expenses authorized him, was an entitlement to temporary quarters subsistence expense (TQSE), not to exceed 30 days.

Upon arriving in Arlington on May 28, 1982, Mr. Toth temporarily occupied a rental apartment owned by his mother and remained there until June 20, 1982, at which time he moved into permanent quarters. His stated reasons for using his mother's apartment were: (a) the apartment was available; (b) suitable motel accommodations near his new duty station were generally unavailable; and (c) those motel accommodations that were available were extremely expensive.

Mr. Toth, by travel voucher dated October 5, 1982, claimed \$700, the maximum allowable, as his reimbursement entitlement for temporary quarters occupancy for the period May 28 through June 20, 1982. The itemization which accompanied that voucher listed lodging costs of \$720, meals cost of \$262.66, and laundry cost of \$9. This resulted in an average daily cost of \$41.30 for the 24 days of temporary quarters occupancy. In addition to that itemized statement, he submitted a statement from his mother dated June 21, 1982, which stated that: the lodging she provided was valued at \$720; the meals she provided were valued at \$113.41; and laundry services at \$9. This temporary quarters subsistence claim was administratively deferred pending receipt of additional information from him, asserting that the evidence presented was insufficient to establish the reasonableness of the claimed expenses.

When Mr. Toth presented his reclaim voucher, the agency disallowed his claim, asserting to him that decisions of this Office have ruled that travelers may not be reimbursed for lodgings obtained from noncommercial sources if the payment made for those lodgings equals or exceeds the cost of commercial lodgings. Following that disallowance, Mr. Toth submitted his claim to our Claims Group for direct settlement. By a settlement of April 24, 1984, Mr. Toth's claim was again disallowed on the basis that the information provided was insufficient to establish the reasonableness of the expenses claimed.

In his appeal of our Claims Group disallowance, Mr. Toth has submitted an affidavit from his mother, as owner of the apartment he occupied. She asserts in that affidavit that: she is the owner of the apartment in question; that it is rental property; that she rented it to the employee; that in her judgement the statement of costs which she previously submitted was not only reasonable, but also it reflected amounts less than the actual costs she normally incurred to operate the apartment.

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Chapter 2, Part 5 of the Federal Travel Regulations, FPMR 101-7 (September 1981) (FTR), implementing the law authorizing TQSE reimbursement (5 U.S.C. § 5724a(a)(3)), provides in part in para. 2-5.4(b):

"b. Itemization and receipts. The actual expenses shall be itemized in a manner prescribed by the head of the agency which will permit at least a review of the amounts spent daily for (1) lodging, (2) meals, and (3) all other items of subsistence expenses. Receipts shall be required at least for lodging and laundry and cleaning expenses (except when coin-operated facilities are used).  
\* \* \*

The issue of the reasonableness of expenses incurred for lodging, etc., as documented by the receipts required in the above provisions of the FTR, exists in every case where an employee occupies temporary quarters at his new duty station incident to a permanent change of station. However, reimbursement is based on lodging expenses necessarily incurred, which the employee was required to pay. Barry A. Smith, B-184946, March 10, 1976, and decisions cited therein.

Ordinarily, when an employee uses commercial quarters, a receipt is given which reflects the established rate for the services provided. The inferences created by the existence of that receipt are that payment was made and that the charges were reasonable. However, no such inference arises where the circumstances suggest that the transaction is

other than at arms length. One such circumstance is when an employee temporarily uses lodging facilities owned by a relative, pending a move into permanent quarters at his new station. A statement signed by a relative or friend as to the value of the lodging and subsistence provided does not necessarily establish that the employee incurred a legal obligation to make payment, or where a receipt for expenses incurred is given, that payment for which the employee seeks reimbursement was actually made. Smith, B-184946, at 4, supra. It is the view of this Office that more is required under FTR para. 2-5.4(b), in such a case.

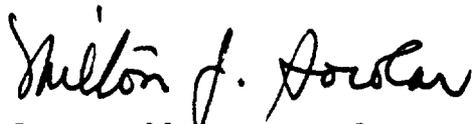
In our decision Richard E. Garofalo, B-213777, October 2, 1984, we considered a claim for lodging expenses incident to temporary duty travel under a parallel provision of the FTR (para. 1-8.5). In that case the employee claims to have rented quarters from an acquaintance. We stated in that case that the burden of proof is on the claimant to establish the liability of the United States and his right to receive payment. We ruled there that where the documents submitted were inconsistent and there was no evidence of record to show that the provider of the lodging received payment, or the amount of that payment, the employee may not be reimbursed.

In the present case, the assertion made in conjunction with the initial travel voucher is that Mr. Toth incurred lodging costs of \$30 a day during the time he temporarily resided in the apartment owned by his mother. Notwithstanding that, he has failed to provide any evidence that any payment was actually made for the lodging provided. Such documents as are contained in the file concerning this matter state only that various services, including lodging, were provided and their value was below market value and reasonable. Until proof is submitted that payment was made at least for the lodgings part of the claim the question of reasonableness of the expenses asserted to have been incurred will not be considered.

On the assumption such evidence of payment is available and submitted, certain other documents should be submitted also. Focusing on the issue of reasonableness, we note that Mr. Toth apparently obtained permanent quarters in the same condominium complex in which he occupied temporary

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quarters. According to his permanent quarters lease, his rent for those quarters is \$550 a month, or approximately \$18 a day. This contrasts sharply with the claimed costs of lodging in the apartment owned by his mother. We recognize that the units in such a complex can vary significantly in size, which, in turn, could cause a great variation in rental charges. Therefore, in order to provide a better picture as to the reasonableness of the claimed lodging expense, Mr. Toth should provide copies of the lease on the unit he temporarily occupied, for the time periods immediately before and immediately after his occupancy.

*for*   
Comptroller General  
of the United States